

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, October 15, 2018
Council Chambers, Crested Butte Town Hall

Mayor Schmidt called the meeting to order at 7:07 p.m.

Council Members Present: Will Dujardin, Chris Haver, Kent Cowherd, Jackson Petito, and Paul Merck

Staff Present: Town Manager Dara MacDonald, Town Attorney Barbara Green, and Community Development Director Michael Yerman

Finance Director Rob Zillioux, Parks and Recreation Director Janna Hansen, Public Works Director Shea Earley, Open Space/Creative District Coordinator Mel Yemma, Town Planner Bob Nevins, and Deputy Town Clerk Betty Warren (for part of the meeting)

Schmidt reported that this Town Council meeting was preceded by a Work Session at 6:00 p.m. with a discussion of the 2019 Budget.

APPROVAL OF AGENDA

Schmidt asked Council and Staff if there were any changes to the Agenda prior to approval. MacDonald recommended the removal of the discussion related to R & S Journeys End from the Executive Session.

Merck moved and Dujardin seconded a motion to approve the agenda with the removal of the R & S Journeys End discussion from the Executive Session. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

CONSENT AGENDA

1) October 1, 2018 Regular Town Council Meeting Minutes.

2) Resolution No. 24, Series 2018 - A Resolution of the Crested Butte Town Council Amending the Refuse and Recycling Collection and Disposal Agreement with Waste Management of Colorado Inc.

Merck moved and Petito seconded a motion to approve the Consent Agenda. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

PUBLIC COMMENT

Gary Gates - 7 Journeys End

- Addressed his comments to the Mayor and Council.
- He was speaking in reference to an inappropriate email that was sent on October 5, 2018.
- He was there to apologize to the Mayor, Council, his team, and the community for the tone of that letter.
- It was a draft from a letter a staff member in the Houston office had put together per his instructions concerning the opening with Mt. Crested Butte Town Council. He had instructed the staff member to contact Mt. Crested Butte to determine the necessary procedure and qualifications for a person to fill that position. It would then be sent to their email list.
- Neither Mr. Gates nor anyone from the team had drafted the email, and he failed to fully review it before authorizing its distribution.
- He apologized and said he was sorry for the distress it had caused and took full responsibility.
- He had taken appropriate steps to ensure that it would not happen again. He stated that everyone had worked very hard to address the housing needs and looked forward to a project that benefitted the whole community.

Schmidt said that Gates had called him last week and had also called Mayor Barnes to discuss the matter.

Schmidt had several comments:

At a previous meeting, Gates' team repeated several times that the Town had approved Gatesco as the choice for the project. The Council specifically voted to enter into negotiations with Gatesco.

He said they had implied that Council had given full consent to go forward with the project. Schmidt stated that he personally appreciated the apology but felt it was disingenuous for two reasons: 1) the letter was published in the Crested Butte News criticizing this community and 2) the second concern was related to a letter regarding Melanie Reese's analysis of their project.

Schmidt had listened to Gates' interview on the radio and had questions about his representation of the number of units and the public process to determine what should be built at that location. He and MacDonald had met with the General Manager of CBMR about this situation and talked about putting out a great product for this end of the Valley.

Schmidt said Gates had stated that Crested Butte refused to look at the economics; however, with a recent discussion Crested Butte specifically wanted to look at the economics before any contract was signed.

Sue Navy - 324 Gothic

- Decided to cancel Paradise Clean-up for Sunday due to the volume of snow (reported 9" in Gothic).

- Was concerned about putting people in unsafe conditions and said the trash would be covered.
- Thanked Council for their funding for the clean-up.
- Disappointed that the project had to be cancelled, as 20 + organizations and businesses had supported the effort.
- Schmidt thanked Navy for her continued commitment to the clean-up of the Valley.

Alan Bernholtz - 416 Sopris

- Said the 2019 Snow Plan would be coming in the first week of November.
- His perspective was that the community felt uncomfortable with the new ownership of CBMR.
- He asked Council to not remove snow banks on Elk Avenue but consider going back to “designer” snow banks of the past.
- He said snow banks showed what our Town was all about and was part of the character.

STAFF UPDATES

MacDonald needed direction on the Proposition 110 request. This item was moved to Other Business for further discussion.

The event, Big Air on Elk, had emerged and MacDonald wanted to get the Council’s thoughts on whether to go forward. This item was also moved to Other Business for further discussion.

OVPP meetings coming up at Western Colorado University:

- October 24, 2018 – had been changed from 3:30 p.m. at Western Colorado University to 10:00 a.m. meeting in Crested Butte. MacDonald said she would keep everyone informed about the changes.
- November 8, 2018 – Intergovernmental Elected Officials meeting at 9380 restaurant, from 6:00-8:00 p.m.
- November 6, 2018 – Attorneys Review at 9:00 a.m.

OLD BUSINESS

1) Discussion on The Corner at Brush Creek Housing Project.

Schmidt said the Council had just received a memorandum from MacDonald summarizing the next steps following the discussions at the joint meeting with Mt. Crested Butte. The meeting was held in an effort to establish what revisions or modifications needed to be agreed upon jointly to move forward with a preliminary plan application with Gunnison County.

Thirteen voting members were in attendance. Petito, from the Town of Crested Butte, was unable to attend. There were nine questions that were discussed and straw polls conducted, though not all Council members voted on every item. The results of the straw poll voting were outlined in the memorandum.

MacDonald mentioned that some of the voting on the nine items produced close results, so Staff had recommended drafting a letter with Mt. Crested Butte to send to County Commissioners. She had provided the draft letter to allow the preliminary plan for the project to go forward.

There was further discussion on item #4, which showed a 5-6 result. MacDonald said she had left that item for discussion. The suggestion was made to take #4 out of the letter or indicate there had been no conclusion.

The question was asked if Mt. Crested Butte needed to be included on the letter. Green stated that this was drafted as a joint letter and, therefore, should include Mt. Crested Butte.

Cowherd said another session with Mt. Crested Butte should be had to discuss these issues. Schmidt said that, since the Council had just received the information tonight, he suggested the possibility of moving consideration to the next meeting of the Town Council.

Petito stated that he was glad #5 had happened. He said another meeting would be helpful in an effort to meet on items that needed discussion and clear the rest with an easy vote. Haver agreed that it would make sense to get the groups together for a meeting again to wordsmith language for clarification. MacDonald offered to arrange a meeting with Mt. Crested Butte for a joint discussion.

Schmidt opened the discussion to the public and said he understood this was new information, but wanted to give the opportunity to members of the public who might wish to comment.

Dujardin addressed Schmidt and said his response to Gates was not commensurate with the rest of the Council. Merck seconded that opinion.

NEW BUSINESS

1) Update from Gunnison Valley Hospital on Fund Raising for a Mental Health Facility in Crested Butte.

Dr. John Tarr, from Gunnison Valley Health (retired) presented on fundraising efforts for a Mental Health facility in Crested Butte. He served on the Gunnison Valley Health Coalition which had as one of its initiatives, the issues related to suicide prevention and said suicide had become pervasive within the Valley. He spoke about the effort of

collaboration between the Gunnison Valley Health system programs which included the Hospital, Senior Care Center, Assisted Living, Home Medical Services, Hospice, and EMS. Some programs in the past did not include the mental health aspect, but he said that physical and mental health were inextricably connected.

The Mental Health Center had acquired a grant for a full time mental health practitioner in Crested Butte. The Health system owned a space in the Ore Bucket building; however, the building was not suitable for a mental health clinic. The Gunnison Valley Hospital and Mental Health Center had each put up \$30,000 for the conversion of the space.

He asked for assistance through the Gunnison Valley Health Foundation, of which he was Chair of the Board. He requested \$5,000 grant funding to help make up for the shortfall with Gunnison Valley Health and the Mental Health Center's funding. This funding would allow the renovations to be completed.

Dr. Tarr introduced Sarah Kramer, Assistant Regional Director for the Center for Mental Health. She spoke about the operational needs and explained the array of services that would be available out of this office. These included psychiatry, medication management, therapy, and peer services. Their vision for crisis services translated over 6 counties of coverage. The crisis line would run 24/7, there would be face-to-face visits with a therapist, and tele video services would be available for those who were unable to visit the clinic.

The Center for Mental Health would partner with Gunnison Valley Health on the project. This would be a resource to the entire community. There was not a date for the project to begin, as the contract was not yet complete, but the project would go forward.

MacDonald reported that the current grant cycle had closed. Grant requests would be given to Merck and Mitchell, and they would bring recommendations to full Council.

2) Presentation from the Slate River Working Group on the Floating Plan.

Mel Yemma, Open Space/Creative District Coordinator, and Hedda Peterson, Stewardship Director, Crested Butte Land Trust, presented on the Slate River Floating Management Plan. The Town of Crested Butte and the Crested Butte Land Trust had worked cooperatively to preserve over 1,000 acres of open space. The Land Trust owned most of the open space lands within the Slate River, and the Town held the conservation easements.

This area had seen a marked increase in recreational use, raising concerns about habitat protection, property rights and resource protection. There were private landowners and public land managers with different interests. The Town and Land Trust, facilitated by Ilene Roggensack, created a working group of 18 stakeholders to address the concerns and impacts related to increased river use.

The working group identified a 10.5 mile corridor beginning at Oh-Be-Joyful campground and running to Skyland Bridge. They proposed management solutions in seven critical areas to include private property rights, agricultural rights, wildlife, variable river flows, river etiquette, access and legal constraints, and infrastructure needs. There was discussion that more collection of data was needed.

There was a draft management plan released to the public for comment. The feedback overwhelmingly favored a no-float date (March 15-August 1 preferred) and protection of the Great Blue Heron Rookery. The working group met again on October 10, 2018 on the management plan and determined the short and long-term solutions. The working group asked for approval and implementation of the short-term plan for 2019 and consideration for the long-term plan within the five year capital projects.

Council suggested dates for the voluntary no-float option. The need for further study, potential signage, education, and ethics were discussed. Green said that related to the right to float, the legislature needed to clarify that issue.

3) Annual Report from the Creative District Commission.

Mel Yemma, Open Space/Creative District Coordinator, outlined the Annual Report of the Creative District. She gave some background to include Crested Butte's certification in 2016 as a Creative District, one of twenty three in the state of Colorado. The Crested Butte Creative District Commission via Ordinance 14, Series 2015, was required to present an annual report to the Council.

The Commission created an action plan in 2018, targeting specific goals related to advocacy, public art, professional development, education and marketing. The 2018 Annual Report outlined the accomplishments and the action plan goals that had been met. They were diversifying funding sources in an effort to be self-sustaining going forward, but were asking for continued support of the Creative District's work from the Town of Crested Butte.

There was a discussion on youth education and mentorship, and that the Creative District's work added to school programs and course offerings above and beyond the public education aspect. Cowherd said he was proud of the Commission and the work they had done. He said the Town should continue to support their efforts.

4) Initial Presentation of 2019 Draft Budget.

Schmidt said the 2019 Draft Budget had been discussed in the Work Session prior to the meeting. Zillioux asked for direction on how to proceed from that discussion related to refining revenue and what to include and not include. Schmidt said he was happy with the budget as presented, other than the Cemetery, which Zillioux agreed to revise. The Council decided to continue the budget discussions.

5) Discussion on Bathrooms at Town Park.

Hansen reported on the 2016 Town Park Playground Renovation Project Site Plan, which eliminated the old Pitsker bathrooms. The current discussion from the September 17, 2018 Town Council meeting sought to keep the bathrooms. This meant that they would be available for the public. Hansen said the number of visitors had increased, so having the extra bathrooms would be good; however, it would add to the cost for Town in terms of maintenance, cleaning staff, supplies and repairs.

Hansen added that there was a lot of work done in 2018 to include painted walls and floors, new faucets, mirrors, trash cans, soap/towel dispensers, and flush valves. There would be additional maintenance costs adding to the five-year plan. The additional maintenance and custodial costs would include:

- New exterior doors with time locks.
- New water fountain with bottle filler.
- Heated bathrooms.
- Rebuild of pump room for heating and janitorial supplies.
- Estimate for staff and maintenance costs included \$11,000 per year for custodial and maintenance staff, \$1,300 per year in custodial and maintenance supplies for a total of \$12,300 in annual expense.

Cowherd asked about heating the bathrooms, and Hansen said the plumbing needed to be kept in a heated environment. Schmidt reiterated that keeping the bathrooms open was a good plan.

6) Discussion and Possible Direction on Proceeding with Recommendations on the Parking Management Plan.

Bob Nevins, Town Planner, spoke about the Parking Management Plan and establishing Council direction related to their recommendations to go forward with implementation of the Parking Management Plan.

He spoke about the Phase I parking study conducted by Interstate Parking Company of Colorado, LLC. The study included verification of the on/off street parking supply in downtown Crested Butte and data related to current traffic patterns and parking supply during busy weekends and weekdays in the month of August, 2018. The response from the Community Survey had indicated that more than 85% of parking spaces in Town within the hours of 5:00-8:00 p.m. were occupied with very little turnover within an eight hour period of time. This created traffic congestion and impact on residents, as drivers would circulate through neighborhoods in search of parking spaces.

Nevins reported on the two budget proposals for operation of the parking management plan: 1) flat fee annually of \$353,014.00 to be invoiced on a monthly basis and 2) management fee of \$76,985.00 annually. The Town would pay monthly operating expenses of \$242,165.00 with amortized start-up costs of \$33,864.00.

Nevins said that via the Community Survey and public comment at meetings, it seemed as though residents were not concerned about parking and traffic as major issues at this point. He suggested that it might be best to continue to monitor the parking situation through the winter in lieu of proceeding with implementation. If this became more of a public concern, the Town could move forward to Phase 2 of the parking plan with greater community outreach and cooperative partnerships.

Yerman stated that the Town would not implement anything in the winter months. Schmidt asked Nevins why he recommended monitoring. Nevins said that Staff was not ready to move forward and wanted to see what the Vail impact would be and then reevaluate next year. He suggested the need to experience a winter with Vail before going forward, and the public indicated that same opinion via the Community Survey.

There was a discussion to delay Phase 2, as too many people were not in favor of proceeding. Haver said the Town was more proactive on the issue. There was a tool in our pockets when that time arrived. They could possibly partner with Mt. Crested Butte, but he was comfortable with holding off. Petito said the monitoring of cars parked for eight hours would add extra work for the Marshals. Cowherd said that this winter would be a barometer and that the plan could be implemented in six weeks. He said to use the winter to gather together with Mt. Crested Butte and Vail. Yerman said that the money had been well spent, as Staff now had a tool and process and were prepared.

Reily suggested the need to push forward, and that partnerships with and more input between Crested Butte, Mt. Crested Butte and Vail was necessary. He suggested getting recommendations from the Interstate Company. Cars would be parking where it was free.

Dujardin stated that they were not addressing problem. He reported that 48% of the community response was that traffic was a problem. His recommendation was to listen to Mike Reily and consider implementing the parking management plan.

Schmidt directed Staff to come up with solutions. Yerman had concerns about not having enough staffing, and a discussion took place to look at these issues in six months/next summer.

7) Selection and Direction to Enter into a Memorandum of Understanding with the Developer for Block 76 for the 2019 Paradise Park Affordable Housing Build.

Yerman reported that three proposals for RFP had been submitted by Morrison, Coburn, and Bywater, LLC. After circling around with Bywater and Coburn for average price point, the committee's recommendation was Bywater. All three proposals were very comprehensive, and Yerman thanked them for their excellent presentations.

Yerman said there would be no starts this fall. The MOU would begin the process to get through BOZAR with a November 1, 2018 deadline for packet submission. The contract

would be complete by December, and the start of construction was estimated for June 1, 2018. Schmidt also thanked Bill Lacy and Daniel Dow for their cooperation in allowing Block 76 to be developed at this time.

Haver moved and Dujardin seconded a motion for the Town Manager to execute a Memorandum of Understanding with Bywater, LLC to allow them to proceed with development approvals with BOZAR and to instruct the Town Attorney to prepare a development contract to be executed prior to the end of the year with the addition of Kent Cowherd's request to include start of commencement and timeline for build. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

8) Request for the Extension of Town Water to Ruby Mountain Pursuant to Section 13-1-280 and Direction to Proceed with Formal Agreement Related Thereto.

Scott Miller, Esq., Water Attorney, presented on the Ruby Ridge Application for Extension of Water Services. Marcus Lock, Law of the Rockies, was present on behalf of the Humphreys. Miller spoke about the background of the issue, Town pipeline, conditional water rights, and renewed diligence application. He explained that the Humphreys were looking for a back-up water supply. There was an easement offered by Ruby Ridge for 20' of pipeline.

Haver moved and Merck seconded a motion pursuant to Town Code §13-1-280(C) to approve extraterritorial potable water service to Ruby Ridge at its Trapper's Crossing Lot 6 property in accordance with Ruby Ridge's Application for Extension of Water Service Beyond Town Boundaries, and to direct Town Attorney to prepare a potable water service agreement and easement agreement, and any other settlement documents, between Ruby Ridge and the Town to be brought back before the Town Council at its November 5 meeting. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

9) Discussion and Possible Direction on McCormick Ditch Agreements.

Yerman stated that the Town and the Kapushions had entered into an Improvement Agreement in 1986 related to development obligations for Blocks 1, 2, 3, 10, 11 and 12. Since the 1986 Agreement, the Kapushions had developed property on Gothic Avenue, Butte Avenue, and Fourth Street. Town construction specifications had been updated within the time since the Agreement to include drainage, gutters, paving, etc. that were not referenced in the 1986 Agreement. The Agreement did not cover the relocation of the McCormick Ditch or extension of the sewer main on Teocalli Avenue. The Agreement did have language regarding negotiations between the Town and the Kapushions regarding the installation of the sewer main.

The Kapushions provided Town with engineered plans for infrastructure that met current Town standards for the Teocalli Avenue construction, sewer main extension, update of drainage standards, and piping the McCormick Ditch. The Town determined the engineered plans had met the criteria for the Town's construction standards.

A new Development Improvement Agreement was drafted by the Town's legal counsel. There was a Ditch Relocation Agreement drafted for the relocation of McCormick Ditch to the Teocalli right of way with an easement for proper maintenance clearances. The Town also drafted a second agreement with Sheep Mountain Partners to take over the maintenance of the ditch until the point of delivery at Verzuh Ranch.

Town Staff asked for direction from Council to bring back to the November 5, 2018 meeting.

LEGAL MATTERS

None

COUNCIL REPORTS AND COMMITTEE UPDATES

Kent Cowherd

- Said he had taken a tour of public works/water treatment facilities with Shea Earley. It was approximately four hours and covered all the facilities, the intakes on the creeks, the \$200,000 improvements made on the pipeline, and the filter systems. He was very impressed with the new systems and functionality. He was also impressed by the manpower needed to maintain all of it.

Chris Haver

- Reported that the Valley Housing Plan meetings were rolling along
- He had the RTA meeting today, and it was a good work session

Jackson Petito

- He was set to have an upcoming Housing Foundation meeting.

Jim Schmidt

- Said he had Mayor/Managers meeting on October 4, 2018. The next meeting would be hosted by the Town.
- He had spoken with Marlene Crosby, Assistant County Manager, about the highway not having been striped from Crested Butte to Riverbend. She responded and subsequently gave names of contacts at CDOT to paint/stripe the road. He contacted them on Friday, and the road was painted that Tuesday, as it had been unsafe. He mentioned how helpful these meeting contacts were in terms of communication and problem solving.
- He had a housing meeting last Wednesday.
- He and MacDonald met with Tim Baker, the new VP and General Manager at Crested Butte Mountain Resort, about:
 - How better to coordinate on parking issues.
 - Review and update on the Brush Creek situation.
 - Talked about whether Vail was green or not and the Tri State Power Coop.
 - Schmidt opened the conversation and asked for transparency.

- He said they were on a learning curve for winter, as the Town was.
- They had been meeting with Erika and Michael Kratz on a monthly basis.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Corey Tibljas, organizer of Big Air on Elk, contacted the Deputy Town Clerk and Marshals' office in an effort to pursue the event again this winter. He said he had operated financially in the past on a razor's edge, but he had developed new relationships with an international outdoors product line, alcohol sponsors, car brand and an international live music company.

He had asked for a closure of Elk Avenue for three days, which would allow for a second night of entertainment. He also asked to block off a window of 14 days to decide on the event dates based upon snowfall and weather conditions. He would confirm the absolute date no later than January 18, 2019.

Council agreed to consider the request but had some concerns. The Council suggested planning for the end of February for the event, as March was busy with Spring Break and increased congestion. Cowherd raised the concern that Elk Avenue would be closed for three, possibly four days, and he wanted to hear how local businesses felt about the lengthy closure. The suggestion was made to ask Chamber businesses their thoughts related to a 3-4 day closure of Elk Avenue.

MacDonald added that Town staff would require Tibljas to hire private contractors to haul snow, and the organizer would pay for the hauling and setup of jumps and the venue. There would be more snow needed this year to accommodate the setup for the music stage, VIP area and beer garden.

The Council asked Staff to investigate, flesh out plans and report back to the Council at the November 5, 2018 Town Council meeting.

Schmidt referenced a letter from Sean Walsh with Let's Go Colorado. There were two amendments about traffic (Amendments 109 and 110) for discussion. Amendment 109 said that the State should bond \$6-8 billion with no funding source. John Caldera, of the Heritage Institute, had offered the Amendment to pay for roads and sacrifice everything else. Amendment 110 called for .62% sales tax raise to pay for the same program to sunset at 20 years. Schmidt said he could not support either amendment. Dujardin was not ready to take a position. Cowherd said he did not have enough information at this point.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, November 5, 2018 - 6:00PM Work Session - 7:00PM Regular Council

- Monday, November 19, 2018 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, December 3, 2018 - 6:00PM Work Session - 7:00PM Regular Council

EXECUTIVE SESSION

Schmidt read the reason for the Executive Session: for a conference with the Town Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b) regarding R & S Journey's End v. Town of Crested Butte; update on water court litigation; and conflicts of interest.

Dujardin moved and Petito seconded a motion to go into Executive Session. A roll call vote was taken with all voting, "Yes". **Motion passed unanimously.**

The Council went into Executive Session at 11:07 PM. The Council returned to open meeting at 12:02 AM, October 16, 2018. Mayor Schmidt made the required announcement upon returning to open meeting.

Following the Executive Session, Cowherd disclosed a conflict of interest that he had a current application with BOZAR and wanted to disclose it publically. Schmidt said he would not have to sit aside at Council meetings unless it was appealed to the Council. He could not appear before BOZAR, though one of his associates could. Cowherd said the complication in front of BOZAR was a re-approval and needed to be shepherded through. It was not a new project with contentious issues.

ADJOURNMENT

Mayor Schmidt adjourned the meeting at 12:05 AM



James A. Schmidt, Mayor



Betty Warren, Deputy Town Clerk

